

do so.”

NOTE: Biographies of the nominees were made available by the Office of the Press Secretary.

Teleconference Remarks on Empowerment Zones and an Exchange With Reporters

May 4, 1993

The President. So we’ve got L.A., Kentucky, Chicago, Baltimore, York, and New York.

Q. Sounds like a good lineup.

The President. Sounds like a good lineup to me. I want to thank you all for joining me today. As you know, I have a new proposal we’re going to be discussing this morning that I believe is a fundamental departure from traditional programs offered by Democratic administrations and fundamentally different from the previous enterprise zone proposals offered by recent Republican administrations.

All of you represent areas of the country that, while unique, are each joined together by a common need. The economic potential of your areas, like other urban and rural communities, is still stifled because you lack the investment capital you need and a comprehensive strategy for jobs and growth. What we want to do is to help you to revive your communities economically. And our proposals for empowerment zones and enterprise neighborhoods we believe is the right way to begin.

Federal aid to these areas is certainly not new, but in the past it hasn’t always worked. There has often been no coordinated strategy for using the Federal money. Your growth has been restrained by a maze of Federal regulations and the need to appeal to an array of Federal Agencies. And these factors have contributed to an unwillingness on the part of too many companies to invest in your areas.

We’re trying to change all of that. We begin with a challenge: Under our program not a single dollar will go out without a coordinated strategy developed at the grassroots level. Yet your communities enjoy immense and committed talent at that level. Our plan proposes a partnership between local organizations so that they can coordinate the use of Federal, State, and local resources.

I know that your areas need investment capital, both public and private. Our proposal provides targeted investment incentives to draw in-

vestment dollars into distressed urban and rural communities. Your areas deal with a confusing maze of Agencies and regulations. This proposal features a single point of contact so that the Federal Government contributes to rather than stifles the rebirth of your communities. We’re going to streamline regulations, rules, and paperwork so that we reward initiative at the local level.

These are innovations and new approaches. They’re going to result in new economic growth, opportunity, and hope in areas long denied their piece of the American dream. And just as your local communities will have a chance to participate in the planning of their economic revival, we also want to offer you a chance now to discuss the economic challenges you face, to discuss this new effort to participate in the revival of your communities.

I just want to emphasize two or three things here. First of all, we do propose to do something that I discussed with the Mayors a few months ago, or several weeks ago, and that is to focus the limited money we have to spend here in terms of tax incentives and investments on, first of all, 10 empowerment zones that will get an enormous amount of concentrated effort to see if it works, a wage credit, credits for equipment, credits for rehabilitating existing housing. With a bottom-up community-based strategy and with a lot of waiver authority, we’re going to set up an enterprise board that will provide communities the opportunity to come and get waivers from all these Federal rules and regulations. I think that’s very important.

In addition to that, we’re going to have 100 more enterprise communities that will be targets for our other community investments, like the Federal funds we’re going to spend on setting up community policing to make the streets safer, the initiative we’re going to have in community development banks, and any number of other initiatives we’re going to have coming out of this Government. Those 100 communities will

be target areas for getting first crack at them.

So I think that this is the sort of thing that will really support what a lot of you have been doing for a long time, cutting out a lot of the Federal rules and regulations, letting you consolidate the funds that you're getting from these different Government Agencies, and getting you the chance to develop a plan to develop your communities.

I know it's consistent with what I always thought ought to be done when I was a Governor, and I think it will meet with a lot of support out in the country among Republicans and Democrats. And I hope we'll get that kind of bipartisan support here in the Congress. I think there's a good chance that we will.

Well, I've already said a little more than I meant to. I'd like to now go to our cities and hear from them one at a time, and of course, the State of Kentucky, too. But let's begin with Los Angeles.

Mayor Bradley?

[At this point, Los Angeles Mayor Tom Bradley stated his support for the program. Brenda Shockley of Community Build and Tony Salazar of Rebuild L.A. then discussed what empowerment zones would do to assist their organizations.]

The President. Thank you, Tom. And I want to thank Brenda and Tony for what they said. And I want to just emphasize that I think we've got the proper division of labor here. At the community level, you've got to provide for people who are chronically unemployed: job training, child care, and other supports. But those needs and the opportunity to meet them are going to be so different from community to community. And that's why I think it's so important that what we do here in terms not only of new investment but in letting you spend the money that is presently appropriated in the most flexible way will guarantee that that can be done.

Then the other thing that I want to say, particularly in response to what Tony said with the Rebuild L.A. effort, we can't expect, it seems to me, a lot of new investment in a lot of our difficult areas until we do a couple of things that send the right signals to the private sector, which this plan does: first of all, that we appreciate the people who are there now and we recognize that they have a potential to expand employment in distressed communities,

and we ought to take care of the people that are there now; and secondly, that the Government needs to take the lead in offering some significant tax incentives to people who will take an additional risk to try to give people a chance who haven't had a chance in a long time. And so those are the things that are part of this program. I'm very excited about it, and I'm glad you're so well organized to try to take advantage of it.

Let's go on now to Governor Jones in Kentucky. We asked the Governor to join us because we wanted to emphasize that rural areas will be eligible to participate in both the empowerment zones and in the enterprise areas. And I know that Kentucky, like my home State, has a lot of very poor rural communities, and I wanted Governor Jones to have a chance to comment on this.

Governor, can you hear us?

[Gov. Brereton C. Jones of Kentucky spoke in support of empowerment zones, streamlining Federal and State government operations, and the upcoming environmental conference, *From Rio to the Capitals: State Strategies for Sustainable Development*.]

The President. Well, thank you very much. I'd just like to make a couple of comments about what you said. First of all, most of our listeners may know, but some may not, that you had a very distinguished career in business before you became the Governor of Kentucky or got into Kentucky politics.

One of the things that I think all of us have noticed who have been Governors or Mayors is that an enormous amount of the money that's appropriated for special programs is often peeled off before it finally gets to its ultimate purpose by all the various administrative layers and regulatory requirements that are on the money. And one of the things that we're trying to do here by setting up this enterprise board and giving people the chance to come up with plans that would put a lot of these funds together is to make the money go a lot further. And it dovetails very well with what the Vice President is trying to do in looking at the whole structure of the Federal Government and how we can overhaul it.

And we're up here now trying to cut spending dramatically and find some money to increase targeted investments in areas where we need it, to create jobs and improve education and

explore new technologies. And I am convinced that one of the ways we're going to be able to both cut the spending programs that ought to be cut and increase investment is to get rid of a lot of the layers of regulation and management that we've had.

The second point I want to make is about your conference coming up in May on sustainable development. One of our great challenges is to try to figure out how to improve the environment and improve the economy at the same time. And one of the clear areas of opportunity there that no one disagrees with is in the area of environmental cleanup in some of our most distressed urban and rural communities. And so I would hope that all the people on this telephone call today as well as all the people who will hear about this program and will file applications will look very closely at some of the environmental problems in their communities and at how many people can be put to work in cleaning those up and how that can be a part of the enterprise proposal, because that's clearly something that we need to do.

Let's go into Chicago now. Mayor Daley is in Washington today, isn't he?

[Valerie Jarrett, Chicago commissioner of planning and development, discussed the city's holistic community-based approach to planning and development and the adverse impact of Federal regulations. Ted Wysocki, Chicago Association of Neighborhood Development Organizations (CANDO), then advocated legislation for abandoned land reuse, corporate community involvement tax credits, and grants for community projects.]

The President. Thank you, Ted, and thank you, Valerie. Let me just respond to one or two of the things that you said. First of all, the comment Valerie made about diverse neighborhoods is clearly true. I have walked the streets in every community represented on this phone call today. And I remember being so impressed in Chicago more than a year ago at seeing some new housing construction in one of the Hispanic neighborhoods from a community group that was the lowest cost, highest efficiency housing I had ever seen in an urban area. And there are a lot of these things going on in our country today which need to be supported, not by uniform Federal programs.

Secondly, I want to say that Mayor Daley was the first big-city Mayor to tell me, again

more than a year ago, that an enormous amount of money being appropriated by the Congress was not being well spent because of all the rules and regulations and that we needed to focus first on getting more buying for the present dollar we're getting. And he cited me, chapter and verse, some of the things that you've mentioned today.

Secondly, I want to say to Ted, I think we have got in our economic program and in this proposal significant incentives from our equity financing for economic development. But I will look at the "Community Economic Partnership Act." And I do agree that we need to be actively involved in the cleanup of some of these sites that we can restore to industrial development in a lot of our urban areas if we can solve the environmental problems. I see this as a really big job generator for America over the next few years. It's a big problem just trying to find work for all of the people who want to go to work now in our country. It's a big problem worldwide. And the environmental cleanup and rehabilitation of a lot of these abandoned areas in our urban cities and in some of our small towns and rural areas, too, I think is very, very important. I thank you for that.

Let's go on to Baltimore now. Mayor?

Mayor Kurt Schmoke. Yes, sir. Good morning.

The President. Are you really at the Parks Sausage Company?

Mayor Schmoke. Absolutely. And Ray Haysbert, the chairman of Parks Sausage, is sitting right here next to me.

The President. I want you to send me some. I admit that I am hereby asking for my own pork. *[Laughter]* I plead guilty.

[Mayor Schmoke stated his support for waivers to provide flexibility at the local level and advocated greater involvement of the Justice Department in community policing as part of community development initiatives. Raymond Haysbert, chairman, Parks Sausage Co., then endorsed the President's community development strategy and his efforts to restructure Government.]

The President. Thank you, Raymond. I've been very impressed with the work that the Baltimore Economic Development Corporation has done there. And I know you've had a lot of attention to the work that's been done there over the last few years. It's evidence that if you've got some committed people and some land and some physical structures, that you can

really do things to put people to work back in cities and in areas where others have given up.

I think that all anybody has to do is go out there and see—I think you've got, my staff has said, about 1,400 people working in the industrial park now, and all the different businesses generating taxes, attracting private investment. That's the sort of thing we're going to have to do. The Government doesn't have enough money to solve this problem. We've got to leverage what resources we have to get private sector people like you to come in and put folks to work. And I really thank you on that.

And Mayor Schmoke, I should have depended on you as an old prosecutor to mention the Justice Department, but I want to assure you that the Justice Department is an integral part of this project. These cities, both the empowerment zones and the enterprise cities, will be considered for priorities for community policing, for alternative punishments, for institutions like the drug court which Janet Reno helped to set up in Miami, all things which really help communities become safer and handle their crime and drug problems better, as well as for community development banks and some of the initiatives that we're going to have to try to bring capital into these areas.

But the Justice Department will be a big part of that. And she's very excited about it. You'll be able to talk to her about it today. But we think there are a lot of things the Justice Department can do to make both the perception and the reality of safer streets and safer communities a big asset in developing the economy and putting people to work.

Mayor Schmoke. Thanks, Mr. President.

The President. York? Mayor Althaus, are you on the phone?

Mayor Bill Althaus. I sure am, Mr. President.

The President. The first night I spent on my bus trip was York, Pennsylvania.

[*Mayor Althaus, chairman of U.S. Conference of Mayors, endorsed the President's urban strategy. Robert Simpson, executive director, Christmas Addicts Neighborhood Association, then advocated cutting redtape and implementing a grassroots approach to community development.*]

The President. Thank you, Robert. You know, I think you might be able to be a model for what we're trying to do in some other cities. But I'm sure that this works.

A few years ago as Governor, I set up a program quite similar to this in our poorest counties, and I required all of them to come up with community-based development plans and then we worked hard to try to make sure all the resources of the State were put at their disposal. And we even got the Federal Agencies involved. But I always had the feeling that we could have done so much more if the Federal Government had been able to fully join our efforts. But I'm very impressed by what you've done there.

I want to say a special word of thanks to you, Mayor Althaus. You know, we find, I think, that partisan differences tend to evaporate the further you get away from Washington. And when more people get down to the grassroots and have to face each other across the table and deal with real problems, it's obvious that there are certain things that work and certain things that don't, and people tend to work on what works.

I can't tell you how much respect I have for the leadership you've given the U.S. Conference of Mayors and the willingness that you have expressed to work with us in trying to find American solutions to these problems. I am convinced that at the very basic human level we need to make a departure from the approaches of the past. And you've been willing to do that, and I take my hat off to you. And I hope that we can do that more and more and more on all these problems, because a lot of these problems are America's problems, and they don't have a partisan label after them. And I think if all of us take our blinders off and roll our sleeves up, we'll get a lot further. And I really appreciate you.

Thank you.

Mayor Althaus. Mr. President, thank you. I have to say, the partisanship in Washington is not at your end of Pennsylvania Avenue right now. It's really not. It's been a joy working with you.

The President. Thank you, Mayor.

New York?

Mayor David Dinkins. Yes, sir.

The President. Hello, Mayor.

[*New York City Mayor Dinkins complimented the President on members of the administration, discussed the success of New York City's community policing effort, and stated his support for the empowerment initiative. David Jones,*

president and chief executive officer of the Community Service Society, then stated his support for the President's approach to community development and administration initiatives on health care reform, job training, and voluntarism.]

The President. Thank you, Mayor, and thank you, David Jones.

Let me just comment first on what Mr. Jones said. I think we do have to provide some assistance to build up these community-based, non-profit organizations. And I do think the National Government has to take the lead in health care, in trying to put together the kind of system that will work on job training and apprenticeship programs, as well as trying to take a little different direction, as you know I feel we should, on the drug front. And that's one reason I asked Lee Brown to be the drug czar.

But I'm also convinced that if we do this, that building these things at the grassroots level and having everything driven by that is the only way to ever get anything done, in my opinion. You know, we've got to help people to help themselves, and that's what this whole thing is about.

The other point I wanted to make in response to what you said, Mayor Dinkins, is, first of all, thank you for the compliments on the people in my administration. Andrew Cuomo had a lot to do with putting this initiative together, and he's sitting here in the Oval Office with me. Actually, he's standing in the back, so he grew about 4 inches when you were bragging on him in front of America.

Mayor Dinkins. Very good.

The President. And I thank you for that. And let me again once again emphasize that I am convinced that the experience of New York in community policing demonstrates beyond anything I could say that if we can put these programs in place in all the major neighborhoods of this country that have crime problems, we would immediately make them not only more livable and more attractive, we would make them far more apt to get private investment.

This is a huge economic issue as well as a personal security issue. And that's why we've just got to wrap the Justice Department and crime control initiatives into this whole effort. If we don't do it, we can't be successful in some areas, and if we do, of course, the flip side is that we can.

I want to thank all of you so much for giving me a little of your time today and for your

support of this initiative. I hope you'll talk to your colleagues across the country, to the Members of Congress, and again reach out across party and other lines and say this is something that will be good for America. I need your help now to pass it, and I'm ready to go to work to do that.

Thank you very, very much.

Mayor Dinkins. Thank you, Mr. President.

The President. Goodbye.

[At this point, the teleconference ended, and the President took questions from reporters.]

White House Staff

Q. Mr. President, now that you've had your—what changes do you plan in the White House staff to make your administration more effective?

The President. Keep in mind that, before you ask that question, this administration is the only one in 17 years to pass a budget resolution within the legal time limit. Nearly as I can tell, we have put more major initiatives out there in 100 days than any of my recent predecessors, and we're working on some very major problems. So I think, on balance, the staff has done a good job.

We've lost one initiative in the Congress that took way too long, dealing with a relatively small program to put some people to work. What I think we need to do, frankly, is to get the focus back on the things that I have been working on from the beginning, passing the major economic program, making sure the Congress will adopt the spending cuts, reaffirming that I have no interest in raising taxes until spending is cut—no tax increases without the spending cuts—getting the budget program so that we can keep interest rates down.

I talked to more people today, just people around here; I asked how many people have refinanced any housing loans or other loans that save money on that. That's going to be the biggest stimulus we can ever provide if we can keep the interest rates down with deficit reduction. And then going on to health care and passing these empowerment initiatives, that's the one we're here talking about today.

So will we make any changes in the way our process works, to try and improve it? I hope we can make some. We've got that under review. We've been discussing it for, oh, about

5 weeks now: What we can do to be more effective. After all, I just got here. I've never operated here before, and there are some things that are very different about the way Washington works, some good and some not so good.

But I think we're on the right track, and I just want to focus now on the work before us, which is passing this budget. If we don't pass the final budget with the spending cuts and the revenue increases and keep them focused on the people who got all the benefits out of the eighties, having the upper income people pay the vast bulk of the load but not taxing them until the spending cuts were in place, that's what I think we have to do now. And that's what I'm focusing on.

Q. Specifically, sir, will Mack McLarty be hiring a deputy to tighten things up in the operation?

The President. One of the things that we've looked at—keep in mind one of my first spending cuts was committing by the end of the next fiscal year to have a White House staff that was 25 percent smaller than my predecessor's. But when I got to looking at it, every other Chief of Staff has always had basically three major; the recent ones, at least have had three major aides, and Mack's been functioning with one. So I'm trying to figure out how to give him at least one more. He still wouldn't have as many—if he had two instead of three, he wouldn't have as many as most of his predecessors have.

But we think that there needs to be a little tighter coordination here to make sure that we've got our priorities straight and that those priorities are communicated all the way down to the staff, and a little better focus. One of the things that you risk when you try to get a lot of things going in a hurry—and we tried to get a lot of things going in a hurry because 4 years passes in a hurry—is that you wind up having people work very, very hard, but maybe getting a little out of focus. And I think we can tighten the focus a little, and I think that's what we ought to do.

The Economy

Q. Leading economic indicators are pretty grim. Do you think anything beyond what you've done, the empowerment zones, the economic stimulus package, has it got you thinking about either delaying the tax cuts further or any other kind of emergency push at this point?

The President. I'll answer the specific question first. The best thing we can do for the economy this year, this year, is to clearly pass a multiyear deficit reduction plan because of what it will do to interest rates. As Americans borrow money at lower rates or refinance their existing debt, the economists estimate that over the next year and a half, that will put \$110 billion back into this economy if we can get the interest rates down. That's a huge stimulant to the economy, totally in private sector investment to refinancing debt.

So my present feeling is that we have got to pass the multiyear deficit reduction package, which requires the spending cuts first and the tax increases, focused on people who have basically benefited from the last 12 years of lower taxes. Now, I think we're going to have to—we need to pass that, keep the interest rates down, and see what happens.

What I tried to do was make a down payment on the jobs plan. And I still would say what I've been saying since—well, all last year and even after the election, I tried to say that we were part of a global economy, where there was a lot of economic slowdown in Europe and elsewhere, and that people could not expect immediate results, and we were going to have to really focus on what it took to create jobs.

I will say that again: My major focus—if I can pass the budget, then we will move on to health care and job creation. And I think that we may try a lot of things over the next 4 years because we're in a period of new and different economic forces which are all working to make it more challenging for us to create large numbers of new jobs.

But I'm not at all surprised. I started saying back in November that there's too much recession in the rest of the economy, and we have cut defense spending in America without offsetting investments in our people and new jobs on the civilian front. And we were being burdened by enormous debt. But I can't tell you that I think we ought to come off the deficit reduction. I think bringing that deficit down and keeping interest rates down is the best investment program we've got right now.

But we are going to have to keep our ears and eyes open, because this is a new and difficult and unprecedented time, and we've got to put the work of the American people first. So I wouldn't rule out anything down the road, but I'm confident we need to pass the budget

first.

Bosnia

Q. Are there special forces in Bosnia on the ground?

The President. There aren't any. I saw the report, Ron [Ron Fournier, Associated Press]. I don't know what the basis of it is. I have not authorized that at all.

NOTE: The teleconference began at 10:30 a.m. The President spoke from the Oval Office at the White House. In his remarks, he referred to Andrew Cuomo, Assistant Secretary-designate for Community Planning and Development at HUD. A portion of the teleconference could not be verified because the tape was incomplete.

Nomination For Deputy Director of the United States Information Agency May 4, 1993

The President today announced his intention to nominate Penn Kemble, Board for International Broadcasting member and a longtime advocate of democracy abroad, as Deputy Director of the United States Information Agency. Mr. Kemble will serve as Deputy to Joseph Duffey, recently named by the President as Director of USIA.

"Throughout his career, Penn Kemble has worked hard to promote the cause of freedom abroad," the President said. "I am certain he and Joe Duffey will work well together to use all of USIA's resources to continue pursuing that ideal."

NOTE: A biography of the nominee was made available by the Office of the Press Secretary.

Remarks at the Democratic Congressional Dinner May 4, 1993

For a minute there, I thought I was at a meeting of the Republican Senate caucus. [Laughter] I'm so glad to see all of you. I can't tell you how much I appreciate that warm greeting, how very much I appreciate being here with Speaker Foley and Senator Mitchell and Majority Leader Gephardt and Senator Graham, Senator Boxer, Congressman Fazio, Congressman Torricelli, and all of you out in the audience tonight who did so much to make our victory possible last November and who have done so much to try to help us make a difference to America.

I also want to say a special word of thanks to the Vice President. We have developed a remarkable partnership. And you know, sometimes when I hear him introduce me, I really think he believes it. He almost convinced me, I believe it. [Laughter] I can tell you this, that when the record of this administration is written, one thing will go down in the history books:

There will never have been a Vice President in the history of the Republic who played such a constructive role in helping to advance the public interest.

I come here tonight on two missions: First and obviously, I want to support this fundraising effort. I want more Democrats to win in '94. I need every one of you. I want all of you to be reelected. And I know that in major part—[applause]—yes, that's worth clapping for. I'm in a little different position than a lot of Presidents; I got elected because I wanted to do something. If you don't want to do anything, you don't really need the Congress. If you want to do something, you have to have a partnership, an unprecedented one, to get things done and move things forward. But this is about more than winning elections. It's about what the elections themselves are for.

Today I had a wonderful experience. I invited the man who brought me into the Congress